Exhibit _ (JEA-4A)

Originally Filed As Exhibit _ (JEA-3) to
Direct Testimony of
Jimmy Addison
on Behalf of
South Carolina Electric & Gas Company in
Docket No. 2017-370-E

Exhibit 10
Docket No. 2017-370-E

Key Provisions of the No Merger Benefits Plan

1. The customer mitigation provisions of the No Merger Benefits Plan are as follows:

a. **No Revised Rates Increases:** SCE&G will not seek further revised rates increases under the BLRA associated with the abandonment of the new nuclear project until new retail electric rates are set by the Commission in a general rate case.

b. **Rate Reduction:** SCE&G will provide each retail electric customer class a rate reduction, as shown in the proposed tariffs attached as ***Exhibit 12*** to the Joint Petition, of three and a half percent (3.5%) compared to May 2017 retail electric rates. The rate reduction will take effect following issuance by the Commission of an order adopting the No Merger Benefits Plan and will remain in effect until new retail electric rates are set by the Commission in a general rate case. Under the No Merger Benefits Plan, tariff language indicating that the tariffs are subject to annual adjustment arising under the Capital Cost Recovery Rider would be removed from the tariff sheets attached as ***Exhibit 12***.

c. **New Capacity:** Through its acquisition of the Columbia Energy Center in Gaston, South Carolina, SCE&G will add 540 MW of replacement generation capacity to its system and will contribute the approximately

$180 million capital cost, with only the ongoing costs such as fuel costs, operations and maintenance expenses, and maintenance or improvement capital investments associated with the plant to be recovered in future rates.

d. **Solar RFP:** SCE&G will issue a request for proposals for 100 MW of new solar capacity with associated battery storage to be located on SCE&G's system.

e. **Toshiba Corporation Guarantee Settlement Payment:** The Toshiba Corporation Guarantee Settlement Payments, net of amounts used to satisfy project liens, will benefit customers through a reduction of the capital cost of the abandoned new nuclear development project to be recovered in rates.

f. **Recovery of the Capital Costs of the Units:** All capital costs of the NND Project, less a $490 million write-off, will be amortized into retail electric rates on a straight line basis over a fixed 50-year period at approximately $63 million annually. The increase in utility expenses associated with this amortization will not result in a change in customer rates in this proceeding.

g. **Tax Rider:** The Tax Rider as shown in ***Exhibit 12*** shall apply.

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2. The following accounting and other provisions that apply under the Customer Benefits Plan would also apply under the No Merger Benefits Plan:

a. Transmission Investments will be subject to the accounting and ratemaking treatment provided for Transmission Investments under the Customer Benefits Plan as described in Paragraphs 105-108 of the Joint Petition;

b. In addition, the "Transfers" on ***Exhibit 13*** in the amount of approximately $85 million represent investment associated with the switchyard and other NND Project assets that are prudent investments in assets that are used and useful in operating V.C. Summer Unit 1 and should be subject to the same prudence and other determinations requested in in Paragraphs 105-108 of the Joint Petition;

c. The Company requests a determination of the prudency of the decision to abandon the project as described in Paragraph 127 of the Joint Petition;

d. The Company requests a determination of the prudency of the Capital Costs set forth on ***Exhibit 13*** as described in Paragraphs 128-129 of the Joint Petition; and

e. The Company requests that the Commission adopt the cost schedule as set forth in ***Exhibit 13*** as described in Paragraph 130 of the Joint Petition as the cost schedules for the project in abandonment.

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3. The capital cost for the NND Project shall be included in a regulatory asset and that regulatory asset, as well as related deferred tax assets and liabilities, shall be recovered through rates over a straight line 20-year amortization and recovery period.

4. That capital costs included in this regulatory asset shall include the costs reflected on ***Exhibit 13,*** net of investment in Transmission Projects, the switchyard and investments in assets serving V.C. Summer Unit 1. The capital costs shall be reduced by the net proceeds of the Toshiba Corporation Guarantee Settlement Payment, and by a one-time write down of $490 million. The amortization expense associated with these capital costs shall be reflected in retail electric revenue requirements without offset or disallowance until the balance in that regulatory asset is fully recovered.

5. The cost of capital that applies to the unrecovered balance in the regulatory asset account shall be as set forth in Paragraph 126 of the Joint Petition and shall apply to the balance of that account until the capital costs are fully recovered.

6. Regarding miscellaneous accounting matters, under the No Merger Benefits Plan, SCE&G seeks the same regulatory and accounting treatment for these amounts as is requested in Paragraph 57(c) of the Joint Petition and will write down regulatory assets valued at approximately $320 million, consistent with the provision of the Customer Benefits Plan.